



9 February 2018

**FIXED INCOME MONTHLY
INVESTMENT BANKING**

Table of Contents:

JANUARY MARKET UPDATE 1
VOLUMES, LIQUIDITY & SPREADS 2
MONTHLY ISSUANCE 3

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FIXED INCOME MARKET UPDATE: January 2018

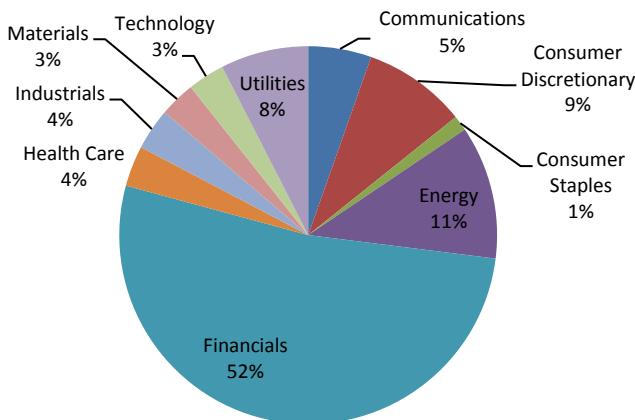
KEY TAKEAWAY:

The New Year got off to a roaring start with equity markets across the globe attracting most of the attention. Year-end euphoria carried into January as optimism surrounding U.S. tax cuts and synchronized global growth drove equity indices to their best start since 1987. Previously range bound Treasuries surged to five-year highs, with 10YR benchmarks topping 2.7% by month's end, amid calls for the end of the 30-year bull market in bonds.

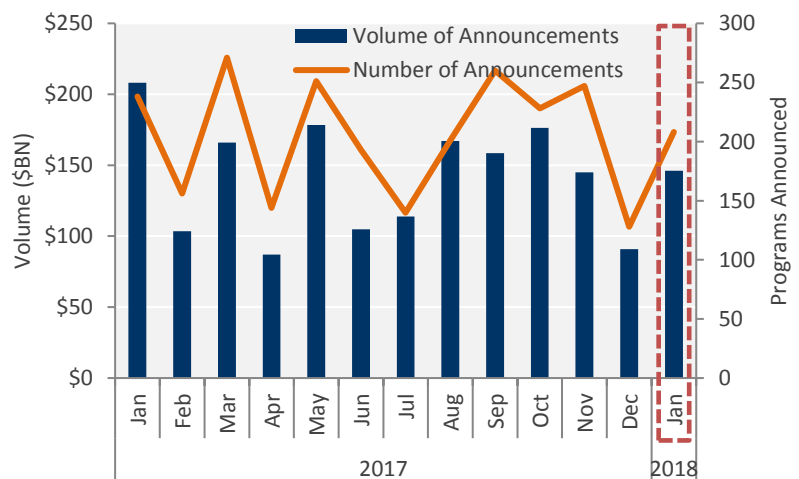
- Despite the back-up in benchmark Treasuries, IG credit spreads continued to tighten, setting a new post crisis record at +86 (approaching the 2007 record of +82). High grade corporate credit quality is improving markedly into a better macro dynamic, and spreads are tightening as a result. While this pace may subside, credit is expected to easily navigate any potential interest rate rout.
- Not surprisingly, new-issuance was somewhat muted; down significantly from last quarter's lofty levels. Going forward, supply may be tempered by the excessive amount of pre-funding that took place in recent years, as a result of the prolonged low interest rate environment. Regardless, the backdrop for credit remains very positive, as the demand for yield continues unabated. Market consensus seems to be coalescing around the idea that central bankers should be able to pull back without much pain, with any Fed rate increases seen as a healthy response to a growing economy.

Volume of Announced Programs

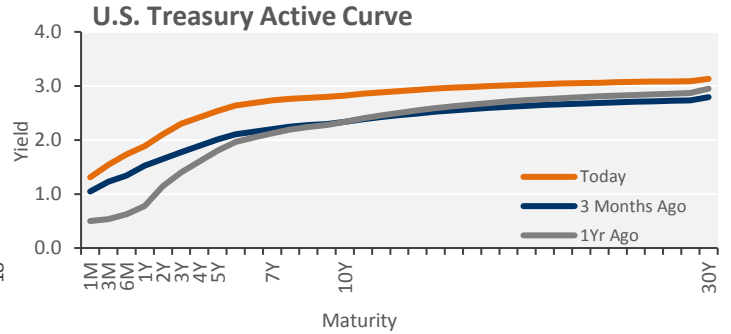
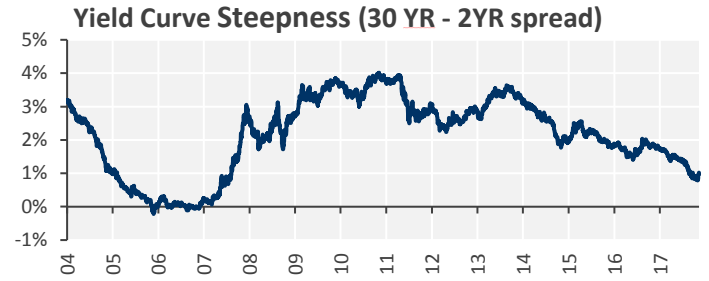
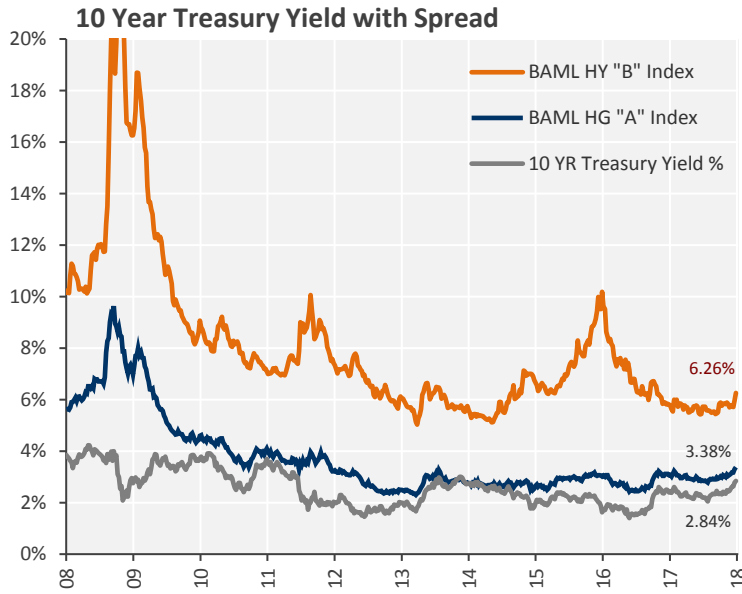
January 2018



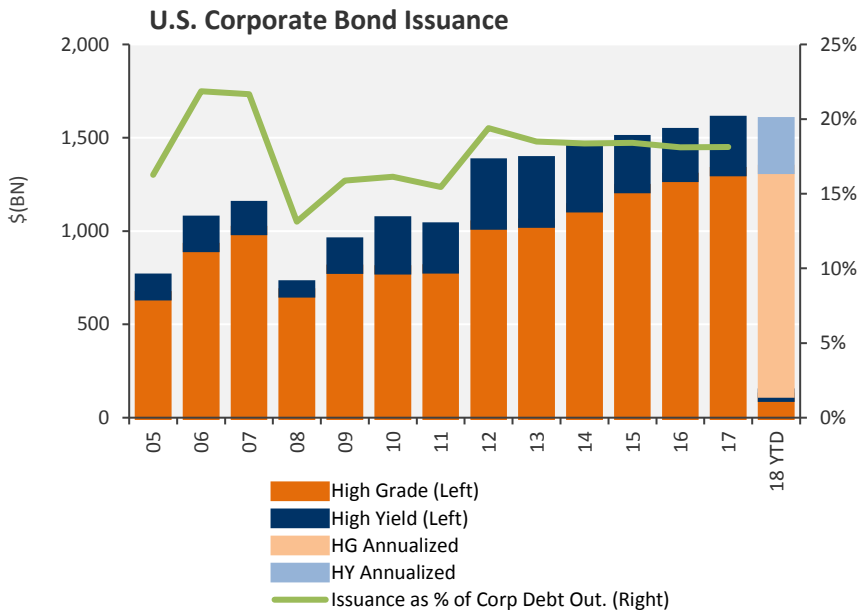
Number and Volume of Announcements



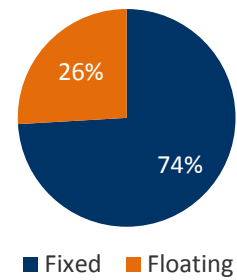
YIELDS & SPREADS



U.S. CORPORATE BOND ISSUANCE



Fixed vs Floating Issuance 2018 YTD



JANUARY 2018 ANNOUNCEMENTS (>\$1BN)

Issuer	Coupon	Maturity	Size	Dated	Spread	YTM	Ratings
Morgan Stanley	3.772	1/24/2029	3,000	1/18/2018	105	3.8	A3 / BBB+
The Goldman Sachs Group Inc	2.556	2/23/2023	2,625	1/18/2018	69	2.5	A3 / BBB+
The Goldman Sachs Group Inc	3.814	4/23/2029	2,500	1/18/2018	115	3.9	A3 / BBB+
Morgan Stanley	3.125	1/23/2023	2,500	1/18/2018	68	3.3	A3 / BBB+
Wells Fargo Bank NA	2.60	1/15/2021	2,500	1/16/2018	47	2.8	Aa2 / A+
Western Digital Corp	4.75	2/15/2026	2,300	1/30/2018	184	4.7	Baa3 / BB+
JPMorgan Chase & Co	3.509	1/23/2029	2,250	1/16/2018	89	3.7	A3 / A-
Bank of America Corp	3.366	1/23/2026	2,000	1/18/2018	77	3.4	A3 / A-
Citigroup Inc	3.142	1/24/2023	2,000	1/17/2018	62	3.1	Baa1 / BBB+
Morgan Stanley	2.294	2/10/2021	2,000	1/18/2018	44	2.2	A3 / BBB+
The Goldman Sachs Group Inc	3.20	2/23/2023	1,750	1/18/2018	77	3.4	A3 / BBB+
JPMorgan Chase & Co	3.897	1/23/2049	1,750	1/16/2018	98	4.1	A3 / A-
Wells Fargo Bank NA	2.40	1/15/2020	1,750	1/16/2018	39	2.5	Aa2 / A+
Bank of America Corp	2.738	1/23/2022	1,500	1/18/2018	59	2.7	A3 / A-
Bank of America Corp	2.557	2/5/2026	1,500	1/31/2018	74	2.6	A3 / A-
T-Mobile USA Inc	4.75	2/1/2028	1,500	1/22/2018	209	5.0	Ba2 / BB+
Capital One Financial Corp	3.80	1/31/2028	1,400	1/25/2018	118	4.1	Baa1 / BBB
Meredith Corp	6.875	2/1/2026	1,400	1/19/2018	401	6.6	B3 / B
Meredith Corp	6.875	2/1/2026	1,400	1/19/2018	404	6.7	B3 / B
Baker Hughes a GE Co LLC / Baker Hughes Co-Obligor Inc	4.08	12/15/2047	1,350	1/2/2018	121	4.4	A3 / A-
Baker Hughes a GE Co LLC / Baker Hughes Co-Obligor Inc	3.337	12/15/2027	1,348	1/2/2018	85	3.8	A3 / A-
Wells Fargo Bank NA	1.811	1/22/2019	1,325	1/22/2018	20	1.8	NR
Bank of America Corp	3.946	1/23/2049	1,250	1/18/2018	94	4.1	A3 / A-
Capital One Financial Corp	3.20	1/30/2023	1,250	1/25/2018	83	3.4	Baa1 / BBB
JPMorgan Chase Bank NA	2.604	2/1/2021	1,250	1/29/2018	42	2.4	Aa3 / A+
Baker Hughes a GE Co LLC / Baker Hughes Co-Obligor Inc	2.773	12/15/2022	1,250	1/2/2018	49	3.1	A3 / A-
Wells Fargo Bank NA	1.793	8/9/2018	1,200	1/30/2018	20	1.8	NR
Aramark Services Inc	5.00	2/1/2028	1,150	1/10/2018	215	5.0	Ba3 / BB
Aramark Services Inc	5.00	2/1/2028	1,150	1/10/2018	212	5.0	Ba3 / BB
Wells Fargo Bank NA	1.761	8/1/2018	1,084	1/26/2018	20	1.8	NR
The Bank of New York Mellon Corp	2.95	1/29/2023	1,000	1/22/2018	51	3.1	A1 / A
Citigroup Inc	3.878	1/24/2039	1,000	1/17/2018	89	4.0	Baa1 / BBB+
Crown Castle International Corp	3.80	2/15/2028	1,000	1/9/2018	130	4.2	Baa3
CSC Holdings LLC	5.375	2/1/2028	1,000	1/12/2018	263	5.5	Ba2 / BB-
CSC Holdings LLC	5.375	2/1/2028	1,000	1/12/2018	263	5.5	Ba2 / BB-
FedEx Corp	4.05	2/15/2048	1,000	1/29/2018	110	4.3	Baa2 / BBB
Jefferies Group LLC / Jefferies Group Capital Finance Inc	4.15	1/23/2030	1,000	1/18/2018	170	4.6	Baa3 / BBB-
JPMorgan Chase Bank NA	2.063	2/1/2021	1,000	1/29/2018	20	2.0	Aa3 / A+
Metropolitan Life Global Funding I	2.40	1/8/2021	1,000	1/3/2018	39	2.7	Aa3 / AA-
Metropolitan Life Global Funding I	2.40	1/8/2021	1,000	1/3/2018	38	2.7	Aa3 / AA-
Sempra Energy	3.40	2/1/2028	1,000	1/9/2018	92	3.8	Baa1 / BBB+
Sempra Energy	3.80	2/1/2038	1,000	1/9/2018	95	4.1	Baa1 / BBB+
Sunoco LP / Sunoco Finance Corp	4.875	1/15/2023	1,000	1/8/2018	219	4.8	B1 / BB-
Sunoco LP / Sunoco Finance Corp	4.875	1/15/2023	1,000	1/8/2018	219	4.8	B1 / BB-
T-Mobile USA Inc	4.50	2/1/2026	1,000	1/22/2018	179	4.7	Ba2 / BB+
Wells Fargo Bank NA	1.974	1/15/2020	1,000	1/16/2018	19	2.0	Aa2 / A+
Western Digital Corp	1.50	2/1/2024	1,000	1/30/2018	-127	1.3	Baa3

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